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## PRESS-RELEASE

(Translation from Russian)

### The rating of PJSC «IC «MIR» is updated

March 05, 2013 the Rating agency «Standard-Rating» has updated the credit rating / the financial stability rating of Public JSC «Insurance company «Mir» up to the level **uaAA-** according to the national scale. The insurer with rating **uaAA-** is characterized by a very high financial stability compared to other Ukrainian insurers. The rating of Public JSC «Insurance company «Mir» (IC «Mir») has been updated on the basis of the results of the Company's activity in 2012.

Table

**Key indicators of Public JSC «Insurance company «Mir» (19209435) in 2012, th. UAH, p.p., %**

#	Indicators	2012 (31.12.2012)	2011 (31.12.2011)	Change	Growth rate, %
1	Total gross premiums, including	27201,2	35287,8	-8086,6	-22,92%
2	from insurants-individuals	5779,8	3896,3	1883,5	48,34%
3	from reinsurers	2142,3	2403,8	-261,5	-10,88%
4	Proportion of individuals in gross premiums	21,25%	11,04%	10,21 p.p.	-
5	Proportion of reinsurers in gross premiums	7,88%	6,81%	1,06 p.p.	-
6	Insurance payments sent to reinsurers	1519,3	1401,4	117,9	8,41%
7	Coefficient of dependence on the reinsurers	5,59%	3,97%	1,61 p.p.	-
8	Net premiums	25681,9	33886,4	-8204,5	-24,21%
9	Premium earned	31235,3	27596,9	3638,4	13,18%
10	Financial result from operating activity	20841	19982,2	858,8	4,30%
11	ROS	76,62%	56,63%	19,99 p.p.	-
12	Insurance indemnities and compensations	6600,4	3670,2	2930,2	79,84%
13	Insurance indemnities/Gross premiums ratio	24,27%	10,40%	13,86 p.p.	-
14	Shareholders' equity	98772,9	83243,9	15529	18,65%
15	Liabilities	32836,6	15937,3	16899,3	106,04%
16	Shareholders' equity/Liabilities ratio	300,80%	522,32%	-221,5 p.p.	-
17	Liquid assets	13180,1	14571,4	-1391,3	-9,55%
18	Liquid assets/Liabilities ratio	40,14%	91,43%	-51,29 p.p.	-
19	Net profit	15529	18093,9	-2564,9	-14,18%
20	ROE	15,72%	21,74%	-6,01 p.p.	-

1. Gross premiums of IC «Mir» in 2012 have decreased by 22,92% compared to 2011. At the same time net premiums in the same period have decreased by 24,21%, and earned premiums, on the contrary, have grown by 13,18%. The cooling of the Ukrainian economics in the second half of 2012 has negatively affected IC «Mir». Despite the Agency notes the increase in earned premiums, data on dynamics of net premiums and gross premiums indicate the decrease in key indicators of business activity.

2. Against the background of the decrease in business activity the indemnities and compensations of IC «Mir» have grown in 2012 up to UAH 6,6 mln that is almost by 80% more than the indemnities in 2011. The ratio of indemnities to gross premiums has increased by 13,86 p.p. up to 24,27% according to the results of 2012 compared to 2011. This result is as close to the level of indemnities, which has been shown by the Ukrainian companies according to the 9 months of 2012. The Agency reminds that the risk companies have paid UAH 3,982 bn during the first three quarters of 2012, and have collected UAH 14,582 bn, thus, the level of payments has amounted to 27,03%.

3. Despite the growth of indemnities IC «Mir» has finished the 2012 year with net profit of UAH 15,529 mln that is by 14,18% less than in 2011. At the same time, the financial result from operating activities of IC «Mir» has grown by 4,3% up to UAH 20,841 mln in 2012 compared to 2011.

4. The ratio of shareholders' equity to liabilities of IC "Mir" has decreased by 221,5 p.p. in 2012 and has amounted to 300,8% at the beginning of 2013. Thus, the shareholders' equity of the Company has been in three times more than its liabilities that has indicated a significant excessive capitalization of the insurer. But due to a fast growth of liabilities of the Company by 106,04% up to UAH 32,836 mln in 2012, the ratio of liquid assets to liabilities has decreased down to 40,14% that is about in 1,8 times less than the average level of the market.

Therefore, despite the decrease in gross business in 2012 the activity of IC "Mir" has remained profitable. The Company has managed to maintain a considerable level of capitalization, while there has been the decrease in the liquidity level that with the excessive capitalization won't significantly affect the credit risk of the insurer and his financial stability.

*RA «Standard-Rating» (Ukraine)*